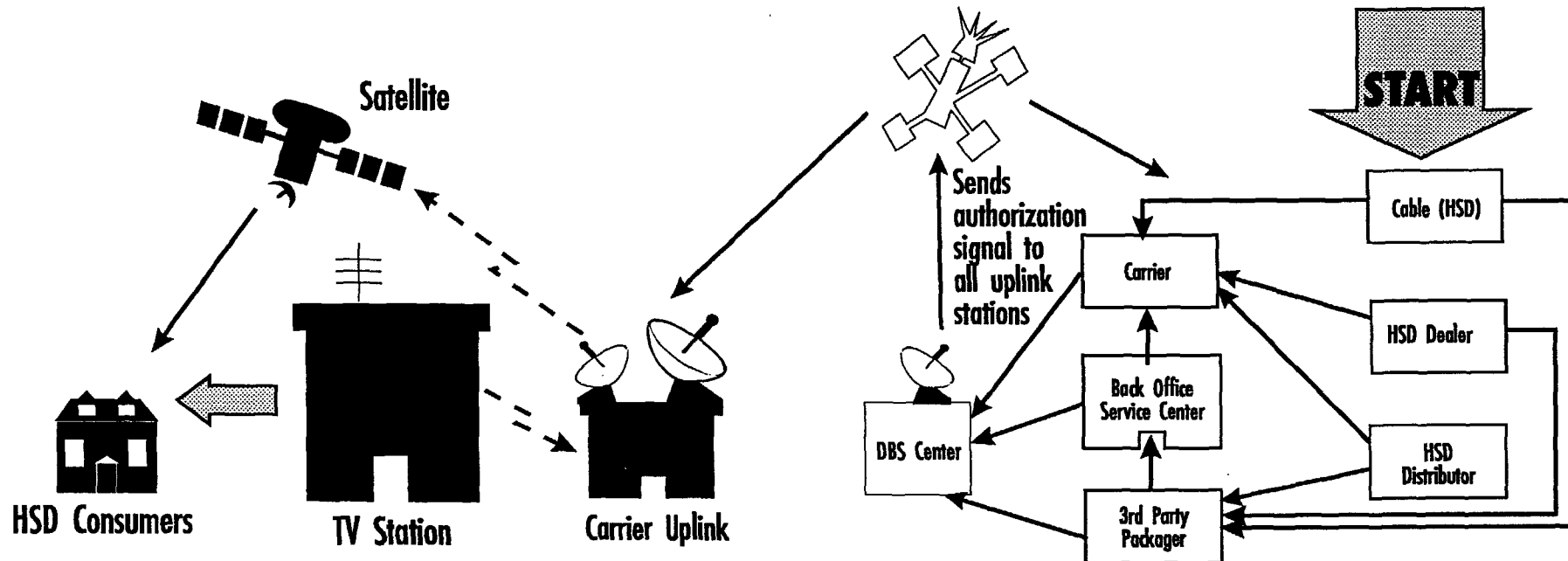


SUPERSTATION SERVICES TO HSD CONSUMERS CONSIST OF A UNIQUE SET OF COSTS

VENDOR'S ROLE IS MORE COST-INTENSIVE IN HSD

(THE HSD BUSINESS IS DEPENDENT ON BOTH CONSUMER AND DISTRIBUTOR REVENUE)



VENDOR SERVICES FOR HSD MARKET

1. Uplink facility cost
2. Lease of satellite transponder
3. Receives/retransmits TV signal to consumers
4. Receives/retransmits authorization signal
5. Inputs/uplinks tier addressable messages
6. Monitors TV signal
7. Markets and sells to:
 - Consumers
 - 3rd party packages
 - HSD Dealers
 - HSD Distributors
 - Cable Systems (HSD)
8. DBS Center:
 - Leases/bills tier bit and port at DBS Center
 - Sends authorization signal to center
 - Message transactions
 - Records authorized descrambler numbers for center
 - Submits reports to users)
9. Provides customer service for consumers, packages dealers, distributors and cable systems (HSD)
10. Files semi-annual copyright payment
11. Provides administration and billing services to consumers, packagers, dealers, distributors and cable systems.

SALES AGENTS (PACKAGERS, DEALERS AND DISTRIBUTORS)

3RD PARTY PACKAGER

1. Sells programming to dealers, distributors and consumers
2. Sends authorization signal to DBS center
3. Leases port at DBS Center
4. Bills customers
5. Sends deauthorization signal to DBS Center for customers

HSD DEALER

1. Sells and installs equipment
2. Sells programming subscriptions to consumers

HSD DEALER, continued

3. Calls carrier or 3rd party packager for consumer authorization
4. Takes consumer service calls

HSD DISTRIBUTOR

1. Sells equipment to equipment dealers
2. Markets and sells programming to dealers and consumers
3. Calls carrier or 3rd party packager for authorization
4. Bills dealers and consumers
5. Takes consumer service calls
3. Calls carrier or 3rd party packager for deauthorization

UNITED VIDEO HAS A HISTORY OF OPEN ACCESS FOR ALL THE SUPERSTATION SERVICES IT PROVIDES

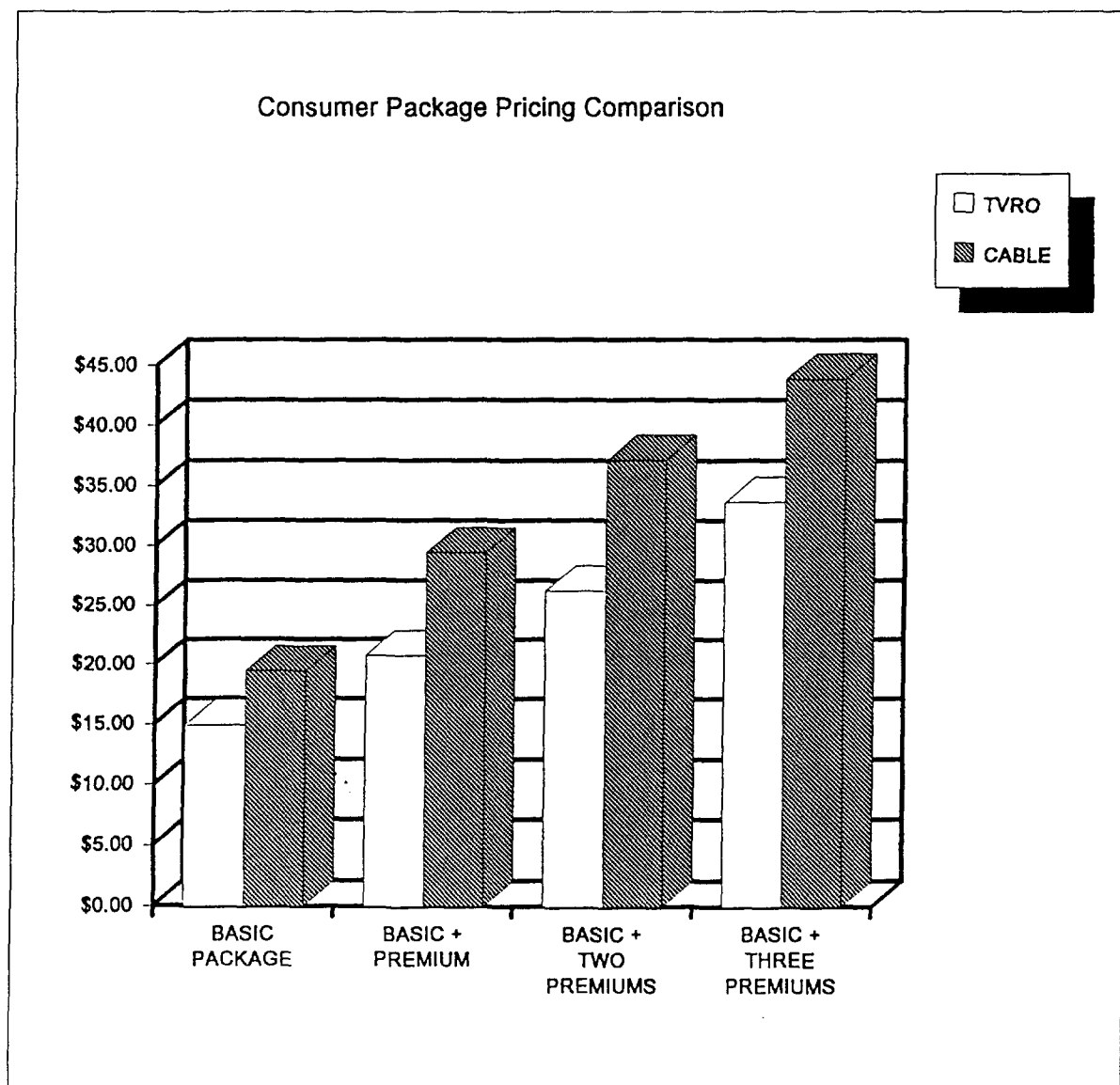
- United Video is currently serving cable, SMATV, MMDS, translators (non-profit), and Superstar Connection is serving HSD.
- United Video began serving HSD and MMDS early in their development, even before they had standing in copyright law.
- United Video does not grant geographical exclusivity and serves competing companies in the same market.
- United Video's commitment to serve all qualified parties has been firm in spite of increased business liability and conflicts with existing customers.

DIFFERENCE IN RETAIL RATES PAID BY CABLE AND HOME SATELLITE DISH PROGRAMMING CUSTOMERS

	<u>TVRO</u>	<u>CABLE</u>
BASIC PACKAGE	\$14.92	\$19.47
BASIC + PREMIUM	\$20.75	\$29.47
BASIC + TWO PREMIUMS	\$26.25	\$37.14
BASIC + THREE PREMIUMS	\$33.70	\$43.87

NOTES ON RATES USED FOR COMPARISON:

- > Cable rates are based on a 1991 random survey of 100 cable operators.
- > TVRO rates are based on an effective monthly rate of a package containing 21 scrambled services.



THE RAPID GROWTH OF THE HSD MARKET DOES NOT INDICATE THAT PRICING IS IMPEDING GROWTH

